

# Australia: Prysmian workers stand firm as they enter fifth week of strike

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27 November 2010

After nearly five weeks on strike, the 200 workers at the Prysmian cable making plant at Liverpool in Sydney remain determined to resist the company's demands for fundamental changes to their conditions. The longer the strike has continued, the clearer it has become that Prysmian, an Italian-based conglomerate, is mounting a global offensive against its workforce.

The company, owned by a consortium of international banks, is escalating a drive to rationalise and restructure its cable manufacturing industry worldwide, amid the ongoing slump in Europe and the US triggered by the 2008 global crash. As the Prysmian workers' struggle demonstrates, Australia is no exception to the kinds of brutal measures being imposed on workers in other parts of the world.

Yesterday, Prysmian applied to the federal Labor government's Fair Work Australia (FWA) tribunal for a return to work order. Under section 423 of Labor's Fair Work Act, the tribunal can terminate or suspend industrial action if it is "causing, or threatening to cause, significant economic harm" to the employer. If such an order is issued, striking workers lose all legal protection. They can be fined or eventually imprisoned, and be sued for millions of dollars in damages by the employer. This provision is one of many inserted in Labor's legislation to effectively outlaw strikes, even within the narrow confines of enterprise bargaining at individual workplaces.

FWA commissioner Helen Cargill rejected, for now, Prysmian's application. Instead, she recommended further negotiations between the company and the unions that cover the Sydney workers, the National Union of Workers (NUW), Australian Manufacturing Workers Union (AMWU) and Electrical Trades Union (ETU). Two days earlier, Cargill had also turned down a Prysmian request for an order under section 240 of the Act, which allows the tribunal to arbitrate "if the bargaining representatives for the agreement are unable to resolve the dispute".

Prysmian workers had declared that they would refuse to abide by any return to work order. A striking machine operator told the WSW: "We can't give in. We can't surrender our conditions. We have fought for them, and so did the previous generations. It will be a difficult fight, but we can't give up. What the company wants is just not on."

The striker was incensed by the company's latest application to the FWA tribunal. "Prysmian had claimed it was doing fine, and was able to withstand the strike. Now it says it is being harmed! It

is the company that wants to harm us. In fact, it has been harming us for years."

Another Prysmian striker said: "This dispute is at a stalemate. We're not budging. We wouldn't return to work even if the [FWA] commissioner orders it. Who is she? God? She can't pay our bills. We won't bend."

The strike began on October 25 after Prysmian demanded the right to hire casual workers on pay rates of \$15 an hour—at least \$7 less than permanent workers. Prysmian also insisted on "flexibility" arrangements that would mean working on weekends and public holidays without penalty rates. As well, in preparation for layoffs, or the complete closure of the plant, the company insisted upon a drastic cut in redundancy pay.

Over the past three years, Prysmian, whose owners currently include Bank of America, Barclays and JP Morgan Chase, has become the second largest cable manufacturer in the world, through a series of takeovers. It has plants in the US, Canada, France, Finland, Argentina, Italy, Turkey, the UK, Indonesia, Malaysia and New Zealand, and has also opened up new low-cost production facilities in China, Spain and Brazil.

Headquartered in Milan, Prysmian has a market valuation of 2.3 billion euros (\$US3 billion). It was created in 2005, when US investment bank Goldman Sachs bought the cable making operations of the Italian conglomerate Pirelli. Goldman Sachs had to be bailed out by the US government when the global financial crisis first erupted in 2008, and has since divested itself of Prysmian.

Nevertheless, Prysmian's ruthless restructuring has continued apace. The company is locked in a battle with its rivals as part of a drastic consolidation of the global industry. Last week, Dutch cablemaker Draka agreed to a takeover bid by Prysmian worth 840 million euros (\$US1.15 billion), trumping an earlier approach from the French firm Nexans, the world's largest cable-maker. The combined Prysmian-Draka group would have annual sales just under 6 billion euros, with a presence in 50 countries and 20,000 employees. However, Prysmian's acquisition of Draka was thrown into doubt this week when China's Tianjin Xinmao S&T Investment Corp made a much higher offer for the Dutch firm.

The US-based business publication *Bloomberg* commented: "Prysmian, Nexans SA, the world's largest cable maker, and Highland Heights, Kentucky-based General Cable Corp. are seeking to increase economies of scale and raw-material purchasing power to restore margins hurt by a construction slump

in Europe and the US.”

The Asia-Pacific region has been a particular focus of the Prysmian consortium’s restructuring operations. Since 2007, the company has taken over International Wire and Cable in New Zealand, including its plant in Auckland, and acquired or expanded operations in Indonesia (Cikampek), Malaysia (Shah Alam) and China. In June 2008, it launched a new corporate structure in China, with the target of boosting its production there by 50 percent by 2010.

Prysmian now has five plants in China—two in Tianjin and one each in Baoying, Wuxi and Shanghai—although it only employs about 1,000 people altogether. Paolo Bazzoni, CEO of Prysmian China, told *China Daily* in March this year that the company had invested around 100 million euros (\$US132 million) in the country since 2008. “Invest, grow and contribute in China, this is our mission,” he told the state-run newspaper.

The Sydney dispute is the latest in a series of attacks launched by Prysmian on its global workforce. In August, the company provoked strike votes at its three UK plants—two in Wales and one in Hampshire—by unilaterally replacing a defined benefits retirement scheme with a much lower defined contributions scheme. The nearly 300 workers at the Welsh Wrexham plant voted by 127 to 45 to take strike action, and workers at the other plants also voted for industrial action. However, the Unite union called off the planned stoppages after reaching a deal with the company to negotiate on details of the new pension scheme.

A few months earlier, in Canada, a bitter-year-long strike at Prysmian’s Saint-Jean plant in Quebec ended with the closure of the factory in April. The 200 workers had walked out to oppose concessions that included eliminating the seniority rule when assigning positions, allowing sub-contracting for maintenance work and replacing eight-hour shifts with twelve-hour shifts. The union involved, the United Steelworkers, gradually wore down the strike. Despite the union repeatedly telling workers it could reach a mutually beneficial agreement with the company, Prysmian ultimately shut the plant.

The WSWS spoke to a Prysmian striker and his wife this week, discussing some of the issues raised by the five-week struggle. “This dispute is killing us financially,” the striker’s wife said, “but it has to be done. We have no choice; we have to win this one. I am only working part-time, so I have to pick and choose carefully when I do the grocery shopping. We are living off noodles already!

“I have pre-warned our three children not to expect presents from us until after Christmas. The kids are aware and they can wait. We also have added medical bills because our teenage daughter has just been diagnosed with a serious illness. We have to pay \$500 upfront to see a medical specialist. But we’ll survive.”

The striking machine operator said: “I don’t think that Prysmian necessarily wants to shut this plant down completely, but it does want to have casuals working here for half the pay and it does want to cut the redundancy benefits in half. It has a ‘vision’ for the future: an all-casual workforce.

“Prysmian thinks it can do whatever it likes. It has been doing this around the world, and now it’s our turn. Prysmian has done so many things to us already, but now it has to make more cuts!

Whatever the company saves by cutting our conditions won’t be enough to turn this plant around. This plant has been neglected for six or seven years. There has been no investment. The machines are actually dangerous to work on. Prysmian is already bringing in a lot of product from overseas and just re-stamping it here.”

The machine operator had no faith in the unions, because workers had already lost conditions in enterprise agreements negotiated by the unions over many years. However, he was confident that the unions could not “sway” the strikers to accept the company’s terms. Asked about the urgent need to link up with the Prysmian workers in New Zealand, Indonesia, Malaysia, China and worldwide, he commented: “It would be great if we can, but how do we do it? They speak other languages.”

These comments point to the necessity for the striking workers, and all workers, to form new mass organisations of the working class, such as rank and file committees, that seek to unify its struggles around the country and globally against the employers and banks, such as Prysmian’s owners. The unions are deeply hostile to such a perspective. In all countries, they strive, on the basis of their reactionary nationalist program, to divide workers in one factory, or one country, from their counterparts in others, and subordinate them to the dictates of their “own” bosses and their “own” ruling elite, in order to drive up “international competitiveness” and profitability at the direct expense of jobs, wages and conditions. That is the source of the divisions between workers—not language, or nationality, or religion.

The Prysmian workers face a struggle not only against the company, but against all the major parties—Labor, Liberal and Greens—that defend the profit system, and against the capitalist system itself. If workers in Australia and around the world are not to be plunged into permanent unemployment and poverty, they must develop a new political strategy based on the mobilisation of the working class to replace capitalism with socialism. This includes transforming the major corporations, and other key levers of the economy into publicly-owned enterprises, under the democratic control of the working class, and operated for the benefit of society as a whole, not private profit.

*The author also recommends:*

Australia: Striking Prysmian workers fighting global “restructuring” offensive  
[20 November 2010]

Australian cable workers in third week of strike against restructuring of conditions  
[11 November 2010]



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